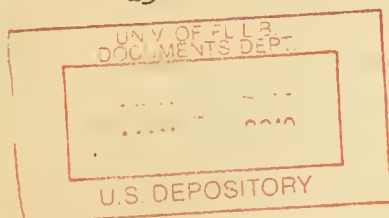


UNITED STATES DEPARTMENT OF AGRICULTURE  
Bureau of Agricultural Economics  
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THE HOG SITUATION

Summary

Not much change has occurred in the hog situation since the issuance of the annual hog outlook report early this month, the Bureau of Agricultural Economics reports. A copy of the complete hog outlook report for the coming year is included with this issue.

Hog prices in October and early November continued to decline seasonally as a result of increased marketings. Some recovery in prices was made in late October, but prices declined again in early November. For the week ended November 12, the average price of hogs at Chicago was \$7.70 per 100 pounds, approximately 60 cents lower than in early October and about \$1.30 lower than a year earlier.

Despite declining hog prices, the hog-corn price ratio showed a rather sharp increase in October and early November as a result of relatively greater declines in corn prices than in hog prices. For the week ended November 5, the average price per 100 pounds of hogs at Chicago was equivalent in value to 18.2 bushels of No. 3 Yellow corn, the highest hog-corn price ratio since June 1926. As indicated in the outlook report, this high hog-corn price ratio reflects the abundant supplies and low prices of feeds, and indicates a favorable situation for increased hog production.

Inspected hog slaughter in October, totaling 3,311,000 head, was 24 percent larger than in September and 22 percent larger than in October 1937, but was 7 percent smaller than the average slaughter for October in

the 5 years 1929-33. The average weight of hogs slaughtered at seven markets in October this year was 224 pounds, which was 10 pounds lighter than a year earlier reflecting an increased proportion of spring pigs in the market supply. Last year, a relatively large number of old hogs was carried through the summer and marketed during the early fall months.

Storage stocks of pork and lard decreased seasonally in October. Storage holdings of pork on November 1 totaled 251 million pounds, about 6 percent smaller than a year earlier and more than 40 percent smaller than average holdings on November 1 for the 5 years 1929-33. But stocks of lard on November 1, totaling 68 million pounds, were more than 70 percent larger than the small stocks on November 1 last year, and nearly equaled the 5-year average stocks for November 1.

Wholesale prices of both fresh and cured pork declined in October and early November. Lard prices declined during the first 3 weeks of October, but held steady in late October and early November. In early November, prices of all hog products were somewhat lower than a month earlier and considerably lower than a year earlier.

## Prices of hogs and hog products, specified periods

Item	Unit	Oct. 1937	Sept. 1938	Oct. 1938	Oct.-Sept.			
					Average:	1935-	1936-	1937-
					1928-29:	36	37	38
					to			
					1932-33:			
		:Dollars:						
Average price:		:per 100:						
Seven markets .....	:pounds :	9.81	8.31	7.71	1/	9.64	10.28	8.33
Chicago .....	:do :	10.03	8.35	7.84	6.99	9.90	10.49	8.47
U.S. average price	:	:	:	:	:	:	:	:
received by farmers ...	:do :	9.78	8.07	7.28	6.48	9.15	9.66	8.07
Prices of hog products,	:	:	:	:	:	:	:	:
Chicago:	:	:	:	:	:	:	:	:
Loins, 8-10 lb. ....	:do :	21.68	22.22	17.75	17.07	21.21	22.28	19.68
Hams, smoked, reg. No. 1	:	:	:	:	:	:	:	:
10-12 lb. ....	:do :	25.75	23.75	22.31	20.31	26.58	24.65	23.56
Bacon, smoked No. 1,	:	:	:	:	:	:	:	:
dry cured, 6-8 lb. :	:do :	32.50	25.25	23.62	23.71	30.36	26.58	26.99
Lard, refined,	:	:	:	:	:	:	:	:
H. W. tubs .....	:do :	12.00	8.91	8.53	9.68	12.65	13.13	9.90
Average price of No. 3	:Cents :	:	:	:	:	:	:	:
Yellow corn, Chicago ..	:per lb.:	66	53	45	62	74	115	57
Hog-corn price ratio:2/	:	:	:	:	:	:	:	:
Chicago .....	:Bushel :	15.2	15.8	17.5	11.6	14.1	9.2	14.8
North Central States :	:do :	19.3	18.8	19.5	12.9	15.3	9.4	17.6
Proportion of packing	:	:	:	:	:	:	:	:
sows in total packer	:	:	:	:	:	:	:	:
and shipper purchases,	:	:	:	:	:	:	:	:
seven markets 3/.....	:Percent:	16.0	22.0	11.0	1/	16.0	15.0	13.0
Average weight at seven	:	:	:	:	:	:	:	:
markets .....	:Pound :	234	241	224	1/	241	231	246

1/ Not available.

2/ Number of bushels of corn equivalent in value to 100 pounds of live hogs.

3/ Monthly figures computed from weekly averages.

## Supplies of hogs and hog products, specified periods

Item	Unit	Oct.-Sept.						
		Sept.	Aug.	Sept.	Average:	1935-	1936-	1937-
		1937	1938	1938	1928-29:	1935-	1936-	1937-
		:	:	:	to	36	37	38
					1932-33:			
Hog slaughter	:	:						
under Federal	:	:						
inspection:	:	:						
Number	:Thou-	:						
slaughtered <u>1/</u>	:sands	:2,033	2,467	2,671	46,363	31,022	34,142	34,580
Live weight:	:	:						
Average .....	:Pound	: 232	245	228	231	232	221	234
Total .....	:Mil.lb.	: 472	604	609	10,723	7,191	7,538	8,089
Dressed weight:	:	:						
Average .....	:Pound	: 168	182	167	175	175	164	175
Total .....	:Mil.lb.	: 341	448	444	8,069	5,402	5,586	6,046
Yield of lard	:	:						
per 100 pounds	:	:						
live weight of	:	:						
hogs .....	:Pound	: 9.2	12.3	12.5	15.2	12.1	10.9	12.4
Production of	:	:						
lard .....	:Mil.lb.	: 44	74	76	1,630	870	833	1,002
Apparent cons:	:	:						
Pork, including	:	:						
lard <u>2/</u>	: do	: 465	486	505	7,171	5,124	5,601	5,794
Lard .....	: do	: 79	70	83	961	712	756	777
Exports: <u>3/</u>	:	:						
Pork .....	: do	: 3	6	7	211	69	59	89
Lard .....	: do	: 10	11	19	657	101	107	208
Imports of pork <u>3/</u>	: do	: 6	4	4	6	32	72	57
Proportion of sows	:	:						
in inspected	:	:						
slaughter <u>4/</u> .....	:Percent:	: 56.4	58.6	50.6	51.2	51.9	51.1	49.9

1/ Bureau of Animal Industry.

2/ Represents apparent disappearance of federally inspected pork plus unrendered hog fats.

3/ United States Department of Commerce. Pork includes bacon, hams and shoulders, and fresh, canned, and pickled pork. Lard includes neutral lard.

4/ Includes gilts.

## THE HOG OUTLOOK FOR 1939

### Summary

Slaughter supplies of hogs in the 1938-39 marketing year, which began October 1, will be materially larger than in 1937-38. Slaughter during the current year will be larger than in any year since 1933-34, but it will be approximately 15 percent smaller than the average of the 10 years prior to the 1934 drought. Average weights of hogs marketed will continue relatively heavy.

Domestic demand for hog products, including both consumer and storage demand, in the current marketing year probably will be more favorable than in 1937-38, and the foreign demand for hog products also may be a little stronger. But the effects of the stronger demand upon hog prices probably will only partially offset the effects of the larger supplies. The spread between prices of light and heavy hogs may be relatively wide in the coming winter, as it was a year earlier.

The 1938 pig crop - spring and fall crops combined - is about 12 percent larger than that of 1937. The upswing in hog production this year is primarily a reflection of the abundant feed supplies produced in 1937 and the fact that corn prices have been low in relation to hog prices in the past year. With feed supplies for 1938-39 large in relation to livestock numbers and the hog-corn price ratio continuing high, a further increase is expected in the number of pigs raised in 1939. The percentage increase in the 1939 pig crop over that of 1938 probably will be no larger and may be smaller than the increase in 1938 over 1937.

The increase in the pig crop next year will be limited to some extent by the fact that the corn crop is again short in Nebraska, Kansas and South Dakota. If the corn crop next year is about as large as in the present year and a good crop is harvested in the Western Corn Belt, the number of pigs raised in 1940 may increase to the level of the 5 years before the 1934 drought.

### Domestic Supplies

The number of hogs slaughtered under Federal inspection in the present marketing year (October through September 1938-39) is expected to be considerably larger than in 1937-38. Slaughter during the current year probably will be largest since 1933-34, but it will be approximately 15 percent smaller than the average of the 10 years prior to the 1934 drought. Average weights of hogs marketed in 1938-39 will continue heavy, but the average for the entire year probably will be no heavier than that of 1937-38, which was about 235 pounds.

### Larger pig crops in 1938

The increase in slaughter this year will be a reflection of the larger number of pigs raised in 1938, most of which will be marketed in the year beginning October 1, 1938. The 1938 spring pig crop was



13 percent larger than that of 1937. In the North Central States (Corn Belt) the increase over last year was 14 percent. The increase in the Western Corn Belt, where hog production has been most sharply curtailed in recent years because of droughts, was 17 percent.

The number of sows to farrow in the fall season of 1938 (June 1 to December 1) was indicated to be about 9 percent larger than the number farrowed last fall, on the basis of breeding intentions reported about June 1. If the number of sows farrowed this fall proves to be about as indicated and if the average number of pigs saved per litter is about the same as last fall, the 1938 pig crop - spring and fall combined - will total about 69 million head, which is about 7 million head or 12 percent larger than that of 1937.

It is possible, of course, that farmers in some areas have bred more sows for fall farrow than was indicated by the breeding intentions reported about June 1. In most areas feed supplies are abundant, and the hog-corn price ratio has continued very favorable for hog production and hog feeding. On the other hand corn production will again be short in Nebraska, Kansas, and South Dakota. Consequently it seems improbable that the number of sows to farrow this fall in those States will be as large as was indicated by the breeding intentions reported in June, when corn prospects were favorable.

#### Larger hog slaughter expected in 1938-39

The increase in inspected hog slaughter this year over last probably will not fully reflect the indicated increase in the 1938 pig crop over that of 1937. This situation arises partly because of the effects of the 1936 drought and the resulting feed shortage upon marketings of hogs in the summer of 1937 and partly because of the relatively large marketings of 1938 spring pigs in the past summer. As a result, slaughter in 1937-38 was large in relation to the 1937 pig crop. In the summer of 1937 a large number of hogs were carried over for finishing on new crop grains and were marketed after October 1, 1937. Marketings of 1937 spring pigs prior to October 1 of that year were small.

In the past summer the situation has been much different - marketings of 1938 spring pigs before October 1 were relatively large, and the carry-over of old hogs into the present marketing year was small. Thus, slaughter in the early months of 1937-38 included a large number of hogs that ordinarily would have been marketed in 1936-37 and the late months included a considerable number that ordinarily would have been slaughtered in 1938-39.

On the basis of present information as to the pig crop and taking into account the early market movement of 1938 spring pigs, it appears probable that inspected hog slaughter in 1938-39 will total between 37 and 38 million head compared with 34.6 million head in 1937-38.

Annual pig crop and slaughter of hogs under Federal inspection in  
corresponding marketing year, average 1924-33, annual 1934-38

Calendar year	Pig crop		Year beginning Oct.	Inspected slaughter of hogs 1/	Inspected slaughter as a per- centage of pig crop	
	United States	North Central States			United States	North Central States
	Thousands	Thousands			Thousands	Percent
Average			Average			
1924-33	77,991	59,370	1924-25 to 1933-34	45,362	58.2	76.4
1934	56,766	40,470	1934-35	30,680	54.0	75.8
1935	55,013	38,015	1935-36	31,022	56.4	81.6
1936	64,917	44,457	1936-37	34,142	52.6	76.8
1937	61,846	41,441	1937-38	34,580	55.9	83.4
1938	69,000	47,000	1938-39	37,38,000	53.6-55.1	78.7-80.9

1/ Bureau of Animal Industry.

Seasonal changes in hog marketings

Slaughter supplies of hogs in each of the first 3 quarters of the present marketing year probably will be larger than in the corresponding period of last year. But unless there is again an early movement of spring pigs in the late summer of next year, any increase over a year earlier in the last quarter (July-September 1939) probably will be small and relatively much less than in the first 3 quarters.

Seasonal changes in marketings in the first half of the present year may be somewhat similar to those of last year. A fairly large seasonal increase is now in progress, and it probably will continue through January. The seasonal decrease in the late winter and early spring probably will be quite marked and somewhat similar to that of the previous year. But the increase in marketings in the late spring and early summer may be greater than the relatively small seasonal increase which occurred in the corresponding period of 1938.

In most years, when feed supplies have been large and the hog-corn price ratio favorable the proportion of the yearly total slaughter in the first quarter (October-December) and in the first half (October-March) of the year has been relatively small. But the past year, 1937-38, was a notable exception. Slaughter in the first quarter and in the first half of last year represented about an average proportion of the total. Slaughter in the second quarter, was about the same as in the first quarter, whereas in other years, when the hog-corn ratio has been favorable, it frequently has been larger.

From the standpoint of factors affecting the seasonal distribution of slaughter, the hog situation is now much different from that in earlier years. The proportion of the total United States production outside the Corn Belt is greater than formerly, and the proportion of the total Corn Belt production in the Eastern Corn Belt is much larger than in the years prior to 1934. The Eastern Corn Belt is normally an early marketing area, while the Western Corn Belt usually is a late marketing area. The larger proportion of hogs in the Eastern Corn Belt doubtless was a contributing factor to the relatively large marketings in the early months of 1937-38. Because of short feed supplies in some areas, marketings from the Western Corn Belt also appear to have been somewhat earlier than usual last winter.

Another factor which may have resulted in relatively large marketings in the early months of 1937-38 was the unusually wide spread between prices of light and heavy hogs. The discount against heavy hogs undoubtedly tended to discourage some farmers from holding hogs for feeding to heavy weights.

The fact that a large number of hogs were marketed in the early months of 1937-38 that ordinarily would have been marketed in 1936-37 also contributed to the relatively large marketings in the first quarter of last year. As already indicated, at the beginning of present marketing year the carry-over of old hogs was much smaller than a year earlier, and marketings of spring pigs in the summer of 1938 (prior to October 1) was much larger than a year earlier. Consequently, slaughter in the first quarter of 1938-39 will not be increased much by marketings of old crop hogs.

But from the standpoint of the location of hog supplies, the situation this year is very similar to that of last year. A relatively large proportion of the 1938 pig crop is in the Eastern Corn Belt, an early marketing area. This will be a rather important factor in the seasonal increase in marketings now in progress.

Feeding conditions for 1938 spring pigs have been unusually favorable. Corn supplies have been abundant and pastures excellent for grazing in most areas. Hogs have made rapid gains and are reaching market weights earlier than usual.

#### Storage Supplies

The storage demand for hog products was relatively weak in the late fall and winter of 1937-38, and storage accumulations of pork and lard were much smaller than average. This was in marked contrast to the situation prevailing in 1936-37, when storage demand was strong and the accumulation of stocks during the winter was about the largest on record. At the beginning of the storage season on November 1, 1937, stocks of pork and lard were relatively small, and the accumulation in stocks from November through February was about 25 percent less than that of a year earlier. This smaller increase in stocks was partly the result of the weak storage demand and partly the result of the smaller slaughter supplies in the early months of the present marketing year. The weak storage demand last winter apparently



resulted from marked weakness in consumer demand and the prospects for further weakness in this demand later in the year as well as for larger slaughter supplies of hogs in the spring and summer than a year earlier.

### Stocks small last spring

At the beginning of the spring season in March and April stocks of pork and lard were about 300 million pounds, or nearly one-third smaller than a year earlier. This decrease in stocks compared with a year earlier was equivalent to the products obtainable from approximately 1.9 million head of hogs of average market weight. Since the supply of hog products available for consumption in the summer consists partly of products derived from current slaughter and partly from storage stocks, the increase in slaughter from April through September over a year earlier was largely offset by the reduction in storage holdings.

### Storage holdings of pork and lard, specified periods

Period	5-yr. average : 1929-30 to 1933-34 :		1935-36		1936-37		1937-38	
	Pork	Lard	Pork	Lard	Pork	Lard	Pork	Lard
	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
	pounds	pounds	pounds	pounds	pounds	pounds	pounds	pounds
Nov. 1	431,192	68,785	240,663	40,702	354,950	94,748	266,414	39,477
Jan. 1	565,206	71,671	326,777	52,718	666,891	145,809	398,565	53,693
Mar. 1	758,930	102,796	451,418	78,725	775,688	202,476	582,654	116,979
July 1	713,460	149,526	435,130	106,774	578,424	185,124	417,704	126,066
Oct. 1	515,045	103,960	361,603	101,796	282,534	72,614	277,231	89,046

### Better storage demand in prospect for 1938-39

At the beginning of the new marketing year, October 1, 1938 (1938-39) stocks of pork were slightly smaller than the very small stocks of a year earlier, and stocks of lard were a little larger than those of a year earlier. Although slaughter supplies of hogs in 1938-39 will be considerably larger than in the preceding year, some improvement in consumer demand for hog products is probable as the year progresses. Consequently price conditions in the present year may be more stable than in 1937-38. It seems probable therefore that the demand for hog products for storage may be somewhat stronger this fall and winter than a year earlier, when it was very weak. It is not expected, however, that storage demand this year will be as strong as in the winter of 1936-37.

### Exports and Imports of Hog Products

Exports of both pork and lard thus far in 1938 have been materially larger than in 1937, and larger than at any time since 1934. This increase in exports reflects the increased lard production from the larger hog slaughter in this country, the large supplies of cottonseed oil from the record 1937 cotton crop, and to some extent decreased hog slaughter in Europe.

From 1925 to 1933 exports of both pork and lard were sharply reduced chiefly because of increased hog production in Europe and the restrictions placed on imports in several foreign countries. A further marked reduction in exports occurred in 1934 and 1935 as a result of the short supplies and relatively high prices of hog products in this country. Exports continued small in 1936 and 1937, and despite the increase this year, total exports in 1938 will be smaller than in all other post-war years prior to 1934. In the period 1926-30 the average annual exports of pork were equivalent to the pork obtainable from about 3 million hogs of average market weight, and in the same period exports of lard were equal to the lard obtainable from about 22 million hogs. In 1926-30 average number of hogs slaughtered under Federal inspection was about 45.3 million head. In 1937, exports of pork were equivalent to the pork obtainable from less than 1 million hogs and lard exports were equal to the lard from about 5 million hogs. Inspected hog slaughter in 1937 was 31.6 million head.

Exports, imports, and production of pork and lard,  
average 1926-30, annual 1931-37

Year	Exports 1/		Imports of pork 2/	Production 3/		Exports as a percentage of production		Imports of pork as a percentage of total domestic consumption	
	Pork	Lard		Pork	Lard	Pork	Lard		
	Mil.lb.	Mil.lb.	Mil.lb.	Mil.lb.	Mil.lb.	Pct.	Pct.	Pct.	
Average:									
1926-30	381	759	12.0	8,550	2,299	4.5	33.0	0.15	
1931	224	601	4.0	8,734	2,279	2.6	26.4	0.05	
1932	175	576	5.7	8,915	2,351	2.0	24.5	0.06	
1933	202	612	2.9	9,124	2,446	2.2	25.0	0.03	
1934	211	458	1.6	8,342	2,072	2.5	22.1	0.02	
1935	136	115	10.5	5,953	1,267	2.3	9.1	0.17	
1936	118	137	41.8	7,535	1,673	1.6	8.2	0.59	
1937	114	163	74.8	6,886	1,434	1.7	11.4	1.05	

1/ U.S. Dept. of Commerce. Includes shipments to noncontiguous territories.

Pork converted to a dressed weight basis.

2/ U.S. Dept. of Commerce. Imports for consumption.

3/ Estimated total production from all hog slaughter.

Pork imports reduced

Imports of pork thus far in 1938 have been considerably smaller than in 1937, but they have continued larger than in years prior to 1937. The decrease in imports reflects the larger production of pork in this country in 1938 and also the fact that in the past year prices of pork in the United States have declined more than in some foreign countries. The increase in imports in 1936 and 1937, on the other hand, apparently resulted partly from the short supplies of hog products in this country. From 1934 through 1937 pork prices in the United States advanced much more than in foreign countries, with the result that prices in this country became higher than in some foreign countries, whereas in most years prior to 1935 they were lower.

Although imports of pork in 1937 were large in relation to those of other years, they represented only about 1 percent of the total quantity of pork consumed in this country during the year. A large part of the pork imports in 1937 and 1938 were canned hams, mostly from Poland and to a lesser extent from other European countries. To some extent they represent a specialty trade which has developed. Europe as a whole, imports a considerable part of its meat requirements, and probably will continue to do so. Hence, it appears that the imports of pork in the past 2 years have been partly of a temporary nature brought about chiefly by the very short hog supplies in this country which resulted from the severe draughts of 1934 and 1936.

#### Increase in exports expected

The European demand for American hog products probably will be stronger in 1939 than in the present year. With prospects for a considerably larger hog slaughter in this country and reduced production in Europe, some further increase in exports may occur. The outlet for American hog products, however, will continue to be limited by import and exchange restrictions in certain importing countries.

Exports of pork which go chiefly to Great Britain, probably will be larger in the current marketing year than in the preceding year. With a larger domestic lard production expected some increase in lard exports in the present marketing year probably will occur. This increase, however, may not be large because of the reduction in supplies of cottonseed oil in this country.

A further reduction in imports of pork is in prospect for 1939 largely because of the expected increase in hog production in this country. Reduced European hog production also may cause certain foreign markets to be more attractive as an outlet for exports from European countries than the United States market.

#### Prices

Hog prices experienced one of the most marked declines on record from mid-August to late December 1937, when prices of butcher hogs at Chicago dropped from about \$13 to \$7.85. This decline was the result of a large seasonal increase in hog marketings along with a marked weakness in consumer demand for meats and in storage demand for hog products. Prices strengthened moderately in February and early March, as supplies of hogs were seasonally reduced. In early March the weekly average price of butcher hogs at Chicago was about \$9.45. From mid-March to mid-May prices declined somewhat, but this was followed by a fairly sharp rise from late May to mid-July. In mid-May the weekly average price of butcher hogs was about the same as at the low point in December, by late July it was about \$9.65.

Since late July the trend in hog prices has been downward, reflecting the contra-seasonal increase in marketings in August and early September. By mid-October the weekly average price of butcher hogs at Chicago was about \$7.85.



Year beginning	:	:	Live weight	:	Cost to packers	:
Oct.	:	Inspected	:	:	Average	:
	:	slaughter	:	Average	:	Total
	:	1/	:	:	per 100	:
	:		:	:	pounds 2/	:
	:			Million		Million
	:	Thousands	Pounds	pounds	Dollars	dollars
Average	:					
1928-32 .....	:	46,363	231	10,723	6.92	742
	:					
1933 .....	:	43,911	225	9,672	4.07	401
1934 .....	:	30,680	220	6,742	7.75	523
1935 .....	:	31,022	232	7,191	9.79	704
1936 .....	:	34,142	221	7,538	10.18	767
1937 .....	:	34,560	234	8,089	8.41	680
	:					

2/ Not including processing tax payments November 1933 to January 1936.

In January and February the spread between prices of light and heavy hogs was unusually wide for that time of year. Butcher hogs weighing from 290-350 pounds were quoted at more than \$1 less than those weighing 180-200 pounds. Prices of light hogs in this period also were somewhat higher than prices of medium weight hogs, whereas they are usually somewhat lower during the winter. The spread between prices of light and heavy hogs narrowed considerably in March and April. During the summer, spread between the average price of butcher hogs and the average price of packing sows also was unusually wide, and in most of the summer prices of light butcher hogs were somewhat lower than prices of medium weight hogs. Ordinarily, prices of light and medium weight hogs are about the same in the summer months. The relatively wide spread between prices of light and heavy hogs during the winter of 1937-38 reflected to a considerable extent the relatively large proportion of heavy hogs in the market supplies.

For the marketing year 1938-39, which began October 1, slaughter supplies of hogs will be considerably larger than in 1937-38. But it is expected that consumer demand for meats in the present marketing year will average stronger than in the preceding year. In the early months of the year consumer demand may be weaker than a year earlier, but it probably will improve as the year progresses. Storage demand also may be stronger this winter than a year earlier. The improvement in demand, however, probably will offset only partly the effects of the larger supplies of hogs upon hog prices.

With abundant feed supplies in most areas and prospects for a continuation of a favorable hog-corn price ratio, the proportion of heavy hogs in the market supply will again be large. This probably will cause the spread between prices of light and heavy hogs to be relatively wide, although it may not be as wide as it was last winter.



Production Outlook

With the 1938 corn crop nearly as large as the average of the 10 years prior to 1934 and with feed supplies, including production and carry-over, for 1938-39 large in relation to livestock numbers, it is expected that there will be a further increase in the number of pigs raised in 1939. The percentage increase in the 1939 pig crop over that of 1938, however, probably will be no larger and may be smaller than the increase in 1938 over 1937. If the increase in the number of pigs produced in 1939 should be about the same as in 1938, slaughter supplies of hogs in 1939-40 probably would be about 35 percent greater than at the low point reached following the 1934 drought, but they would still be from 5 to 10 percent smaller than the average for the 10 years prior to 1934. If corn production in 1939 is as large as in 1938 and if a good crop is harvested in the Western Corn Belt, the pig crop in 1940 and hog slaughter in 1940-41 might increase to a level equal to the average of the 10 years prior to the 1934 drought.

Trends in hog production by regions

As indicated in the accompanying table, the effects of droughts of 1934 and 1936 upon hog production were much more severe in the West North Central States than in other regions. Although there has been some increase in the number of pigs produced since 1935, the pig crop in the Western Corn Belt in 1938 was 34 percent less than the average of the 5 years before the 1934 drought. In the East North Central States the 1938 pig crop was only 2 percent below the pre-drought average, and in all other regions, except the Western States, it was considerably greater than average.

Combined spring and fall pig crops, by regions, average  
1929-33, annual 1934-38

Region	Average 1929- 33	1934	1935	1936	1937	1938	1938 as a percentage of average 1929-33
	Thou- sands	Thou- sands	Thou- sands	Thou- sands	Thou- sands	Thou- sands	Percent
E. N. Central .....	20,174	15,445	15,442	18,061	17,860	19,706	97.7
W. N. Central .....	41,012	25,025	22,646	26,376	23,581	27,156	66.2
All N. Central .....	61,187	40,470	38,088	44,457	41,441	46,862	76.6
North Atlantic .....	1,378	1,158	1,270	1,511	1,615	1,621	117.6
South Atlantic .....	4,941	4,570	4,943	5,642	5,925	6,350	128.5
South Central .....	9,349	8,510	8,779	10,595	10,166	11,466	122.6
Western .....	3,177	2,050	2,006	2,712	2,699	2,684	84.5
United States .....	80,032	56,766	55,086	64,917	61,846	68,983	86.2

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In part of the West North Central States, namely Iowa, Minnesota and Missouri the corn crop was fairly large in both 1937 and 1938, and in these States a considerable further increase may occur in the 1939 pig crop. But in Nebraska, Kansas and South Dakota corn production was short in both 1937 and 1938 following short crops in 1934 and 1936. In these States the increase in the 1939 pig crop probably will not be large, and for the West North Central States as a whole the increase in 1939 may be less than in 1938.

In the East North Central States, where the 1938 pig crop was nearly as large as the pre-drought average, the corn crop this year was somewhat smaller than the large crop of last year, but feed supplies in this area are large. With the hog-corn price ratio continuing favorable it seems probable that there will be a further increase in the pig crop in 1939. This will carry hog production in that area to a level beyond the pre-drought average, but it probably will not be so large as the high level of 1933. Assuming that feed production in the East North Central States next year will be near the level of this year, further increases in hog production will depend to a greater extent upon the relation of hog prices to prices of feed grains and to prices of other livestock and livestock products than in other regions.

In the Southern States, where hog production has increased considerably in recent years, the 1938 pig crop was about 25 percent larger than the 1929-33 average. This increase reflects the larger production of corn and peanuts in those States as well as the relatively high prices of hogs in the past 3 or 4 years. Feed crop production in most of the southern area this year was about as large as it was last year, but with hog prices this year lower than a year earlier, further expansion of hog production in the South probably will be rather moderate.

#### Trends in hog prices

Although some decrease in cattle slaughter is expected during the next few years, it will not be so large as the increase in hog slaughter. Thus, the trend in meat production will be upward, and by about 1941 it is probable that total meat production will be as large as the average of the 5 years preceding the 1934 drought. Because of the increase in population the per capita production of meats by 1941 is not likely to be so large as it was prior to the 1934 drought, but it will be larger than in the past 3 or 4 years.

Whether this upward trend in hog slaughter and in total meat production will be accompanied by a downward trend in hog prices will depend largely upon the changes in incomes of domestic consumers and to a much lesser extent upon the foreign demand for American hog products, especially lard. If the level of consumer incomes in the next few years should increase to a level equal to that of late 1936 and early 1937 or perhaps slightly higher, this improvement in demand probably would largely offset the effects on hog prices of the increase in hog slaughter and total meat supplies. Even with little improvement in incomes of consumers in the next few years, and if hog slaughter increases to about the level prevailing in 1932 and 1933, just prior to the 1934 drought, it is not expected that hog prices will decline in these years to as low a level as that of 1932 and 1933.